



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

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David A. Vaudt, CPA  
Auditor of State

**NEWS RELEASE**

FOR RELEASE July 25, 2011

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released a report on the Iowa Department of Human Rights for the year ended June 30, 2010.

The Department's purpose is to promote opportunities, advocate the rights, improve the conditions of poverty and study the changing needs and problems of all Iowans.

Vaudt recommended the Department ensure federal payroll certification reports are properly prepared. The Department should review contract requirements and implement procedures to ensure federal funds are drawn in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances. The Department also should ensure all subrecipient audit reports are reviewed timely. The Department's responses are included in the report.

A copy of the report is available for review in the Iowa Department of Human Rights, in the Office of Auditor of State and on the Auditor of State's web site at:  
<http://auditor.iowa.gov/reports/1160-3790-0R00.pdf>.

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**REPORT OF RECOMMENDATIONS TO THE  
IOWA DEPARTMENT OF HUMAN RIGHTS**

**JUNE 30, 2010**

Office of  
**AUDITOR  
OF STATE**  
State Capitol Building • Des Moines, Iowa



**David A. Vaudt, CPA**  
**Auditor of State**





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July 20, 2011

To Ms. San Wong, Director of the  
Iowa Department of Human Rights:

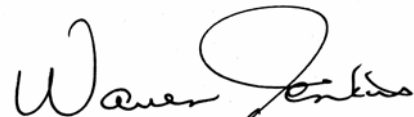
The Iowa Department of Human Rights is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2010.

In conducting our audits, we became aware of certain aspects concerning the Department's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include those reported in the State's Single Audit Report as well as a finding related to statutory requirements and other matters. These recommendations have been discussed with Department personnel and their responses to the recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department of Human Rights' responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Human Rights, citizens of the State of Iowa and other parties to whom the Iowa Department of Human Rights may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of our audits. Should you have questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 9 and they are available to discuss these matters with you.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

cc: Honorable Terry E. Branstad, Governor  
David Roederer, Director, Department of Management  
Glen P. Dickinson, Director, Legislative Services Agency

June 30, 2010

**Findings Reported in the State's Single Audit Report:**

**CFDA Number: 81.042 – Weatherization Assistance for Low-Income Persons**

**Agency Number: DE-EE0000128, 10EE003227**

**Federal Award Year: 2009, 2010**

**CFDA Number: 93.568 – Low-Income Home Energy Assistance**

**Agency Number: G10I1ALIEA**

**Federal Award Year: 2010**

**State of Iowa Single Audit Report Comments: 10-III-DOE-379-1 and 10-III-HHS-379-8**

- (1) Cash Management – Effective cash management procedures provide for minimizing the amount of time between the drawdown/request for federal funds and the disbursement of those funds. They also minimize the amount of state and other federal funds used to supplant programs until federal funds are received.

A review of the Department's records identified one instance where the cash balance was in excess of \$100,000 for seventy-two business days.

Recommendation – The Department should develop and implement procedures to ensure federal funds are drawn down in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.

Response and Corrective Action Planned – The Department will endeavor to follow procedures to ensure federal funds are drawn in sufficient amounts and disbursed in a timely manner without carrying excessive daily balances.

Conclusion – Response accepted.

**CFDA Number: 81.042 – Weatherization Assistance for Low-Income Persons and  
ARRA – Weatherization Assistance for Low-Income Persons**

**Agency Number: 09EE000487, 10EE003227**

**Federal Award Year: 2009, 2010**

**State of Iowa Single Audit Report Comment: 10-III-DOE-379-2**

- (2) Program and Fiscal Monitoring – The Department's State Weatherization Plan submitted to the U.S. Department of Energy requires both program and fiscal monitoring to be performed. The weatherization plan further requires written program monitoring and fiscal monitoring reports to be sent to the subrecipient within 30 days of the review being completed.

Thirteen of eighteen program monitoring reports tested were not sent to the subrecipient within 30 days of the program monitoring review.

In addition, eleven of eighteen fiscal monitoring reports tested were not sent to the subrecipient within 30 days of the fiscal monitoring review.

Recommendation – The Department should ensure program and fiscal monitoring reports are sent in a timely manner.

Report of Recommendations to the Iowa Department of Human Rights

June 30, 2010

Response and Corrective Action Planned – The Department shall endeavor to reduce the number of instances in which program and fiscal monitoring reports are not sent in a timely manner to subrecipients.

Conclusion – Response accepted.

**CFDA Number: 81.042 – Weatherization Assistance for Low-Income Persons and  
ARRA – Weatherization Assistance for Low-Income Persons**

**Agency Number: DE-EE0000128, 10EE003227**

**Federal Award Year: 2009, 2010**

**CFDA Number: 93.568 – Low-Income Home Energy Assistance**

**Agency Number: G0101IALIEA**

**Federal Award Year: 2010**

**CFDA Number: 93.569 – Community Service Block Grants**

**Agency Number: G-09B11ACOSR, G-10B11ACOSR**

**Federal Award Year: 2009, 2010**

**CFDA Number: 93.710 – ARRA – Community Services Block Grant**

**Agency Number: G-09011ACOS2**

**Federal Award Year: 2009**

**State of Iowa Single Audit Report Comments: 10-III-DOE-379-3 and 10-III-DOE-379-10**

- (3) Payroll Certification – OMB circular A-87, Attachment B, paragraph 8.h.(3) requires the Department to obtain periodic certifications for any employee who worked solely on a single federal program for the period covered by the certification. These certifications are to be prepared at least semi-annually and be signed by the employee or supervisor having first hand knowledge of the work performed.

The Department is not obtaining the required certifications for the employees who worked solely on one program.

Recommendation – The Department should ensure certifications are obtained for all required employees semi-annually.

Response and Corrective Action Planned – The Department will obtain the required certifications for employees 100% dedicated to federal programs.

Conclusion – Response accepted.

**CFDA Number: 81.042 – Weatherization Assistance for Low-Income Persons and  
ARRA – Weatherization Assistance for Low-Income Persons**

**Agency Number: DE-EE0000128, 10EE003227**

**Federal Award Year: 2009, 2010**

**CFDA Number: 93.568 – Low-Income Home Energy Assistance**

**Agency Number: G0101IALIEA**

**Federal Award Year: 2010**

June 30, 2010

**CFDA Number: 93.569 – Community Service Block Grants**

**Agency Number: G-09B11ACOSR, G-10B11ACOSR**

**Federal Award Year: 2009, 2010**

**CFDA Number: 93.710 – ARRA – Community Services Block Grant**

**Agency Number: G-09011ACOS2**

**Federal Award Year: 2009**

**State of Iowa Single Audit Report Comments: 10-III-DOE-379-4 and 10-III-HHS-379-11**

- (4) Monitoring of Subrecipient Audit Reports – OMB Circular A-133 requires the Department to ensure required audit reports of subrecipients expending \$500,000 or more in federal awards are completed within nine months of the subrecipient's fiscal year end, issue a management decision on audit findings within six months of the receipt of the subrecipient's audit report and ensure the subrecipient takes timely and appropriate corrective action on all findings.

The Department has established policies and procedures for obtaining and performing desk reviews of audit reports for subrecipients which expend more than \$500,000 from the Department each year. However, for five of nineteen subrecipient reports tested, the Department did not review the audit reports in a timely manner.

Recommendation – The Department should follow the established policy to ensure subrecipient audit reports are reviewed in a timely manner.

Response and Corrective Action Planned – The Department will follow the established policy to ensure subrecipient audit reports are reviewed in a timely manner.

Conclusion – Response accepted.

**CFDA Number: 93.568 – Low-Income Home Energy Assistance**

**Agency Number: G-10011ALIEA**

**Federal Award Year: 2010**

**State of Iowa Single Audit Report Comment: 10-III-HHS-379-9**

- (5) Subrecipient Cash Management – The Department advances Low-Income Housing Energy Assistance Program (LIHEAP) funding to Community Action Agencies (CAA) for expenditures to date, actual funds which will be paid out within the next 30 days and accurate estimates of LIHEAP approvals that will be paid within the next 14 days. The Department also advances funds for actual expenses, work in progress and 30 day projected expenses for the subsequent month, less any cash on hand for the Home Energy Assistance Program (HEAP).

Of the five CAA's selected for review, there was one instance where funds were not expended within 30 days of the month end. In addition, there were five instances of two Community Action Agencies not expending HEAP funding within 30 days.

Recommendation – The Department should review its contract requirements and develop and implement procedures to ensure federal funds are drawn in amounts sufficient to cover current needs and are disbursed in a timely manner without carrying excessive daily balances.



Report of Recommendations to the Iowa Department of Human Rights

June 30, 2010

Response and Corrective Action Planned – The Department will review and adjust as appropriate procedures to ensure federal funds are drawn in amounts sufficient to cover needs and are disbursed in a timely manner without carrying excessive balances. The Department will review contract requirements and make appropriate changes based on that review.

Conclusion – Response accepted.

June 30, 2010

**Findings Reported in the State's Report on Internal Control**

No matters were noted.

**Other Findings Related to Internal Control:**

No matters were noted.

**Findings Related to Statutory Requirements and Other Matters:**

Commission Member Attendance – Chapter 69.15 of the Code of Iowa provides a person appointed by the Governor to a board is deemed to have submitted a resignation if they do not attend three or more consecutive meetings or if they attend less than one-half of the regular meetings within twelve calendar months beginning on July 1.

Four members of the Persons with Disabilities Council, one member of the Community Action Agencies Council, two members of the Juvenile Justice Advisory Council and two members of the Latino Affairs Council appointed by the Governor did not comply with the attendance requirements of Chapter 69.15 of the Code of Iowa.

Recommendation – The Commissions should work with the Office of the Governor and the Code of Iowa designated members to encourage attendance at future meetings.

Response – We will continue to monitor meeting attendance and work with the Office of the Governor to appoint members as necessary.

Conclusion – Response accepted.

Report of Recommendations to the Iowa Department of Human Rights

June 30, 2010

**Staff:**

Questions or requests for further assistance should be directed to:

Deborah J. Moser, CPA, Manager  
Michael J. Hackett, Senior Auditor  
Andrew E. Nielsen, CPA, Deputy Auditor of State

Other individuals who participated on the audits include:

Ainslee M. Barnes, CPA, Staff Auditor  
Beth Harriss, CPA, Assistant Auditor  
Gabriel M. Stafford, CPA, Staff Auditor  
Justin A. Youngberg, Assistant Auditor